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ORIGINAL

December 4, 2002

VIA UPS NEXT DAY AIR

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW (7th fl.)
Washington, DC 20423-0001



Dear Secretary Williams:

This refers to STB Finance Docket No. 33995, SF&L Railway, Inc.—Acquisition and Operation Exemption—Toledo, Peoria and Western Railway Corporation, and STB Finance Docket No. 33996, Kern W. Schumacher and Morris H. Kulmer—Continuance in Control Exemption—SF&L Railway, Inc. and the Motion for Imposition of Labor Protective Conditions filed on behalf of the United Transportation Union on November 15, 2002.

SF&L for its reply respectfully submits that UTU errs in its reading of the Board's Decision, served October 17, 2002. The Board deemed the applicants' use of the class exemptions to have been inappropriate, revoked the notices of exemption and ordered the reconveyance of the La Harpe-to-Peoria railroad line to TP&W. The Board did not authorize the line's abandonment, pursuant to 49 U.S.C. §10903. Even if it had, imposition of labor protective conditions would have been discretionary with the Board, as UTU recognizes, and UTU has failed to make the requisite showing why the imposition of labor protective conditions was required for any of the railroads' employees.

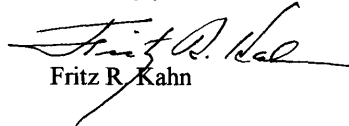
Ten copies of this letter are enclosed to permit your circulation of it. An additional copy of this letter is enclosed for you to stamp to acknowledge your receipt of it and to return to me via the enclosed stamped and self-addressed envelope.

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Secretary Vernon A. Williams
December 4, 2002
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Service on all parties has been effected by facsimile transmission of copies of this letter to counsel for each.

Sincerely yours,


Fritz R. Kahn

enc.

cc: Daniel R. Elliott, III
Gordon P. MacDougall, Esq.
Louis E. Gitomer, Esq.
William A. Mullins